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C O N F I D E N T I A L JERUSALEM 000612

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NEA FOR FRONT OFFICE; NEA/IPA FOR WILLIAMS/WATERS/LOGERFO;
TREASURY FOR NUGENT/ADKINS

E.O. 12958: DECL: 02/09/2015

TAGS: ECON EAGR PGOV EAID KWBG

SUBJECT: ORGANIZED LOOTING OF FORMER SETTLEMENT GREENHOUSES
IN GAZA

Classified By: Consul General Jake Walles for reasons 1.4 (b) and (d).

¶11. (C) Summary: On February 6 and 7, armed men looted greenhouses in a former settlement in Gaza. USAID reported that 250 dunums of greenhouses in the former settlement of Gan-Or sustained heavy damage. Although the police arrested 50 looters, only 14 cases have been turned over to the Attorney General. Hamas publicly blamed the Palestinian Authority (PA) for failing to protect the greenhouses. The PA-owned Palestine Economic Development (PED) Company responsible for managing the greenhouses asked the PA to stem the looting, already valued at USD 1 million. PED also said it had turned over detailed files of the looting to the Attorney General whose office is investigating the looting and plans to prosecute those responsible for the theft. President Abbas told the Consul General February 9 that he was aware of the problem and would take appropriate steps. End Summary.

Extensive damage to Gan-Or greenhouses

¶12. (SBU) In the former settlement area of Gan-Or, south of Khan Younis in Gaza, armed looters stole agricultural produce and greenhouse equipment on February 6 and 7. The damaged greenhouses were part of the original USD 12 million purchase by private U.S. donors from the settlers and handed over to the PA when the GOI disengaged from Gaza in September 2005. A USAID grantee reported the following observations:

-- In Gan-Or, the former settlement greenhouses, including metal structures, nylons, nets, and storage rooms were all removed.

-- In the adjacent former Gadid settlement, the plastic flooring of the large rainwater pool was torn apart and stolen. Nothing remains.

-- No security personnel were observed at Gan-Or or at the pool.

-- Security was heightened at the former settlements of Gadid and Bedolah as they are likely to be the next targets for the thieves since Gan-Or is located between those two settlements.

¶3. (SBU) According to a February 8 report in Arabic daily al-Ayyam, the chief of police in Khan Younis, Colonel Mustafa Wafe', said the greenhouses spanned a large area and would require many personnel to provide adequate coverage. Wafe' was quoted as saying that the police were trying to provide assistance but had limited resources. On February 7, the police arrested 50 looters, 14 of whom were carrying stolen items. Their cases were turned over to the office of the Attorney-General for prosecution.

¶4. (C) A USAID contractor providing assistance to PED, the Palestinian company managing the greenhouses, said the situation was deteriorating and that local law enforcement and security guards were not in control. He estimated that about 250 dunums of greenhouses were looted. In most cases, he said, the looters were taking the structural framework of the greenhouses and leaving behind the plastic shell. Gan-Or was the primary site of the destruction. He confirmed that all of the packing houses renovated with USAID funds, approximately USD 4 million, remained in good shape and no equipment appeared to have been taken.

¶5. (C) A USAID grantee on-the-ground verified the damages to the Gan-Or greenhouses, but noted that 270 dunums of Gan-Or greenhouses had been protected by farmers from the looters, who appeared to be local residents. The grantee added that 150 dunums destroyed had originally been planted with cucumber, watermelon, and sweet peppers, while 40 dunums had not been planted. In addition, 60 dunums of greenhouses that had been damaged still had their structured skeleton but without nylon.

Hamas blames the PA, calls for stepped-up security

¶6. (SBU) In a February 7 public statement Hamas made the following points:

- the parties responsible for the protection of the greenhouses bear all responsibility for the damage;
- the Ministry of Interior bears its responsibility and should act to protect what is left of the greenhouses;
- the Attorney-General and legal bodies should prosecute those responsible for destroying public property; and
- the Palestinian people should not join this type of activity, which could draw attention away from those responsible for stealing larger sums of money.

Lack of funding led to departure of the security guards

¶7. (C) The former settlement greenhouses in these areas are managed by the Palestine Economic Development Company (PED), fully owned by the Palestine Investment Fund (PIF) of which the sole shareholder is the PA. The guards that were hired to protect the greenhouses after disengagement were not being paid by PED but through the PA's unemployment compensation program. Given the PA's dire financial situation, the PA Finance Ministry reportedly dismissed the guards February 1 because of an inability to continue funding their contracts. (Comment: Most of the guards were considered Fatah sympathizers and may have contributed to the looting in order not to leave anything of value for the next government. Little did they know that PED, owned by PIF, is actually under the President's control, per a February 4 Presidential decree. End Comment.)

PED calls for help, office of the Attorney-General responds

¶8. (SBU) PED head Basil Jaber issued a statement February 9

announcing that the value of equipment stolen from the greenhouses was over USD 1 million. Jaber criticized the theft of public property that was intended to benefit the Palestinian people. He said the closure of Karni over the last two weeks had resulted in heavy losses. Combined with the looting, this would mean that PED would fail to reach projected revenues of 16 million euros by end-May 2006. While he noted that the PA is responsible for protecting the greenhouses, Jaber said the PA's dire financial situation had forced it to release the security guards from duty. The dismissed guards were not armed and had nothing to do with the looting, Jaber said. He also stressed that PED had turned over detailed files on the looters and what was looted to the Ministry of Interior and the Attorney General.

¶9. (SBU) Arabic daily Al-Quds reported February 9 Attorney General Ahmed al-Moghani's statement that his office was investigating the looting. Tens of people had been arrested for theft and would be prosecuted, he said. In addition, his office had confiscated some of the equipment that had been stolen from the greenhouses.

¶10. (C) The Consul General raised the issue of the looting of the greenhouses with PA President Mahmud Abbas in a February 9 meeting. Abbas said that he was aware of the situation and would address it.

¶11. (C) Comment: The looting of public assets further demonstrates the breakdown of law and order on the ground in Gaza, compounded by the continued failure of the security services to protect these public assets. While the PED, its owner the Palestine Investment Fund, and the PA cabinet have all indicated their preference to privatize these greenhouse assets, the infrastructure losses from this round of looting as well as the spoiled produce due to the three-week closure of the Karni crossing (valued at USD 2 million according to Basil Jaber) will surely test the courage of any future investor.

WALLES